

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 8/31/2006**

	As of 8-31-06	As of 6-30-06
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,584,053,636	\$ 1,568,651,856
INTERNATIONAL EQUITIES	755,795,276	728,736,085
DOMESTIC FIXED INCOME	1,851,577,124	1,827,967,399
INTERNATIONAL FIXED INCOME	177,433,774	175,048,602
REAL ESTATE POOL	375,075,253	361,756,992
VENTURE CAPITAL	144,114,153	137,923,531
INVESTED CASH (NOTE 1)	<u>79,870,131</u>	<u>86,329,243</u>
<b>TOTAL INVESTMENTS</b>	<b>4,967,919,347</b>	<b>4,886,413,708</b>
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	20,290,617	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	(38,401)	7,715,230
MISCELLANEOUS RECEIVABLES	<u>3,076</u>	<u>3,797</u>
<b>TOTAL RECEIVABLES</b>	<b>20,255,292</b>	<b>31,621,876</b>
<b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	8,995,434	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	43,365	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,998,249,167</u></b>	<b><u>\$ 4,929,019,197</u></b>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	4,327,928	4,369,151
ACCRUED EXPENSES	411,066	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>43,369</u>	<u>120,619</u>
<b>TOTAL LIABILITIES</b>	<b>4,788,025</b>	<b>4,988,075</b>
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	48,965,980	390,918,734
CASH OUT DURING YEAR (NOTE 7)	67,022,443	319,323,971
NET INCREASE (DECREASE)	<u>87,486,483</u>	<u>428,004,837</u>
<b>NET ASSETS AVAILABLE END OF PERIOD</b>	<b><u>4,993,461,142</u></b>	<b><u>4,924,031,122</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS AVAILABLE</b>	<b><u>\$ 4,998,249,167</u></b>	<b><u>\$ 4,929,019,197</u></b>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 8/31/2006**

	Month Ended 8-31-06	Year-to-Date
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 11,801,286	\$ 24,466,017
SECURITIES LENDING INCOME	2,597,787	5,203,838
	<u>14,399,073</u>	<u>29,669,855</u>
GAIN ON SALE OF INVESTMENTS	36,418,908	63,833,945
LOSS ON SALE OF INVESTMENTS	<u>18,714,097</u>	<u>45,498,910</u>
NET GAINS (LOSSES) INVESTMENTS	17,704,811	18,335,035
INVESTMENT EXPENSES	3,319,946	3,667,365
SECURITIES LENDING EXPENSES	<u>2,535,420</u>	<u>5,028,781</u>
NET INVESTMENT INCOME	26,248,518	39,308,744
NET APPREC (DEPREC) MARKET VALUE	58,606,856	64,575,354
MISCELLANEOUS INCOME/(EXPENSE)	<u>(1,549,702)</u>	<u>(1,109)</u>
TOTAL INVESTMENT INCOME	83,305,672	103,882,989
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	646,077	755,501
PURCHASED SERVICE CREDIT (NOTE 9)	418,709	615,459
PENALTY & INTEREST (NOTE 10)	<u>468</u>	<u>919</u>
TOTAL ADDITIONS	<u>84,370,926</u>	<u>105,254,868</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	8,198,203	16,445,796
PARTIAL LUMP SUM BENEFITS PAID	89,462	467,858
REFUNDS TO MEMBER (NOTE 12)	<u>438,800</u>	<u>633,686</u>
TOTAL BENEFITS PAID	8,726,465	17,547,340
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	82,919	165,034
OPERATING EXPENSES	39,053	56,011
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>121,972</u>	<u>221,045</u>
TOTAL DEDUCTIONS	<u>8,848,437</u>	<u>17,768,385</u>
NET INCREASE (DECREASE)	<u>\$ 75,522,489</u>	<u>\$ 87,486,483</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**August 31, 2006**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                    OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                    DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                    CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**8/31/2006**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.